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Recommended Citation

Sprow, Karin Millard (2011). "Adult Financial Literacy Education and Latina Learners: A Qualitative Case Study," *Adult Education Research Conference*. <https://newprairiepress.org/aerc/2011/papers/98>

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Adult Financial Literacy Education and Latina Learners: A Qualitative Case Study

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Keywords: Financial literacy, Latino learners, sociocultural perspectives,
qualitative case study

Abstract: This case study explored teaching and learning in an adult financial literacy program for Latina single mothers, using a framework informed by critical and Latina feminist sociocultural learning perspectives and the transtheoretical model of behavior change. Data included interviews with program administrators, educators, and learners; class observations; and analysis of documents, focusing on pedagogy and the roles of ethnicity, gender, and culture in learning. Thematic analysis was both manual and used the qualitative software, NVivo 8. Findings indicate use of holistic approaches to emphasize community, use of pedagogies emphasizing content, process, and personal stories, and promotion of financial behavior change.

Background

As of August 2010, unemployment in the U.S. is 9.6%, which translates into nearly 15 million American adults out of work (Bureau of Labor Statistics, 2010). Home foreclosures have risen 183% in the past three years (Memmott, 2010). These numbers accompany historically low savings rates, high consumer debt, and rising bankruptcy rates. While these personal financial difficulties might be due in part to the recent economic downturn, a survey of 1,001 Americans by Princeton Survey Research Associates International (2008) indicates that there is a lack of understanding of financial systems and the complexity of financial services and products.

Solutions to this economic situation have led to a call for increased financial education for Americans, as the apparent lack of preparedness for economic downturns suggests low financial literacy levels (Fox, Bartholomae, & Lee, 2005). On April 10, 2009, then Bank of America Global Card Services President, Ric Struthers, stated “the current economic crisis could have been avoided if borrowers were more informed about the financial choices they make” (Mbugua, 2009, p. 1). This and other calls for financial education are not new, as there has been a movement in the last decade to increase awareness and opportunities for learning about financial education at all income levels..

Assumptions in Financial Literacy Education

Underlying this increase in the calls for and interest in financial literacy education (Willis, 2008) are three primary assumptions, which must be considered. The first assumption is exemplified by the deficit model, a concept in educational theory that explains the assumption that individuals who do not do well “do so because of alleged internal deficiencies (such as cognitive and/or motivational limitations) or shortcomings socially linked...such as familial deficits and dysfunctions” (Valencia, 1997, p. xi). When applied to financial literacy education, this model illustrates the assumption that those who are poor and/or do not participate in the

mainstream banking systems are lacking some knowledge or skills to survive financially in the world, in a more secure, stable way.

A second assumption appears to be that anyone with difficulties related to money must have a lack in financial knowledge, or the difficulties would not have occurred. The solution is to provide knowledge in the form of financial education. Closely tied into this idea of a deficit of information, is the core concept of personal responsibility for one's own successes and failures, an essential part of American ideology (Loewen, 2007). As Valencia (1997) so clearly states, "deficit thinking is tantamount to the process of 'blaming the victim'" (p. x), which in the financial education setting translates to the learner being responsible for his or her own financial situation.

A final assumption in financial literacy is the expectation that education in financial matters will not only increase individuals' literacy, but also, by extension, improve their financial wellbeing. This assumption ignores literature from the study of adult education, psychology, and behavior change, and the sociocultural factors that affect learners in every aspect of their lives, such as their race, gender, language, etc. This literature indicates that myriad factors affect learning in general, and in financial literacy specifically; education does not necessarily lead to behavior change, and that other circumstances in individual lives often affect financial decisions that seem, at first glance, to be unrelated to the decisions themselves. Additionally, there is "little consistency" (Klein, 2007, p. 3) in the research with regard to how financial literacy itself is defined or what constitutes success in a financial literacy program. For purposes of this study, financial literacy is defined as the ability to read, analyze, manage, and communicate about financial conditions that affect wellbeing, including discerning financial choices, discussing money and financial issues without, or despite, discomfort, planning for the future, and responding competently to life events that affect everyday financial decisions.

Literature in Adult and Financial Literacy Education

Empirical research in financial literacy has explored a wide range of topics and has revealed the following: (a) data on outcomes of the financial education programs is problematic, in that it is difficult to measure and collect, in part due to the lack of agreement on what constitutes success and how financial literacy is defined (Lyons, 2005); (b) workplace financial education programs reach the largest number of participants, with more measurable results, such as increases in savings (Vitt et al., 2000); (c) attention to the needs of specific groups is a prominent concern among educators (Toussaint-Comeau & Rhine, 2000), but has inadequate research support to promote educational change; and (d) there has been recent interest in studying ways to change the financial behavior, but much more is needed (Hilgert & Hogarth, 2003).

In adult education literature, there are numerous studies and conceptual pieces on the culturally responsive teaching, particularly those focusing on literacy and pedagogy (Choules, 2007; Friere, 1975). Adult education has also illuminated the importance of the cultural context on the teaching and learning of adults, with explorations into the beliefs, social relationships, and social environment of marginalized groups in educational settings (Alfred, 2000). A few studies have addressed Latino sociocultural issues and general literacy (Prins, 2005). However, this sociocultural perspective has been applied to the financial education of adults on few occasions, and on even fewer occasions among Latino learners.

In general education literature, there is a large body of literature exploring the learning experiences of Latinos and illustrating the importance of recognizing the context of the lives of

the Latino individuals (Suarez-Orozco & Suarez-Orozco, 2009) and placing value on these experiences, in order to combat the struggles for academic and economic achievement (Liu, Robles, Leondar-Wright, Brewer, & Adamson, 2006). There is also much Latina feminist literature about the experiences of the Latina woman, including feelings of living on the borders of life in the U.S. (Anzaldúa, 1987; Ortega, 2004), struggles for identity (Gonzalez & Gandara, 2005), and the influence of the male-dominated culture that persists in some Latina families (Abalos, 2007). However, as previously indicated, there is little research into Latinos and financial literacy education.

Purpose and Theoretical Framework

In light of the gaps in the research into difference, cultural perspectives, and Latinos in adult and financial education, the purpose of this study was to explore the teaching and learning in financial literacy education classes targeted for Latina learners, particularly with respect to sociocultural influences, and was guided by the following research questions: a) In what ways does the cultural background of Latino learners and educators impact the teaching and learning that takes place in the financial education setting?; b) How do financial educators respond to the specific needs of their Latino learners in light of the learners' cultural background?; and c) How do educators and learners perceive that their experience in financial education classes or programs has contributed to changing how they deal with financial issues?

This study exists within the framework of sociocultural perspectives of adult learning theory, including critical and feminist perspectives, which emphasize social change. Because critical and cultural perspectives do emphasize the importance of social change, but are not always specific in how change occurs, the study was also informed by the transtheoretical model of behavior change.

Sociocultural Perspectives

A sociocultural perspective on adult learning, which includes cultural, critical, and feminist perspectives, all of which influence each other, potentially offers a more holistic view of adult learning than is typically present in the financial literacy education literature. Drawing on the work of Vygotsky, theorists and researchers in education and adult education acknowledge the importance of giving attention to contextual factors in learning (Sleeter & Grant, 2009). Sociocultural theory offers financial education new possibilities for comprehending the ways in which learners make meaning of their financial experiences in and out of the classroom. For example, Spader, Radcliffe, Montoya, and Skillern's (2009) study utilized a sociocultural perspective in considering the needs of its recipients of the financial education program and illuminated the need to target Latinos in consideration of beliefs and values associated with financial learning.

This study is also informed by critical and feminist perspectives in education, which can involve questioning political, economic, and social structures and institutions that exert power over the lives of the people. Nesbit (2006) points out that adult education can "provide the knowledge, skills, and attitudes for people to engage more fully in and shape their individual and social worlds," develop this way of thinking critically, and "counter hegemony by helping people understand how they might resist and challenge oppressive social structures and behaviors" (p. 173). Further, feminist perspectives, particularly those that are related to the life experiences of Latinos, are also important.

Financial institutions, in addition to the government, exert an enormous amount of power in our society. They make decisions that affect Americans' lives, regardless of cultural group. From a critical perspective, these activities can be seen as negative and detrimental to increasing the power of individuals, particularly since many negative decisions about access to financial services occurs in low-income and racial/ethnic minority homogeneous communities (Lucey, 2004). At the same time, these actions are maintaining or increasing the financial institutions' power (Willis, 2008). Knowledge and/or learning of critical perspectives, then, would allow individuals to explore what causes some of these oppressive properties of our society that can serve those in power and further marginalize those who might already be disadvantaged, and also contribute to educators' and learners' understanding of factors that contribute to their learning.

Transtheoretical Model of Behavior Change

Since individual changes in financial behavior are the objective of financial education programs, and in recognition of the fact that financial education without behavior change is seen as having little value, researchers in financial education are beginning to utilize behavior change research to inform their work, such as the transtheoretical model (TTM) of behavior change (Lyons & Neelakantan, 2008). There are five stages in the process: pre-contemplation, contemplation, preparation, action, and maintenance (Prochaska & Norcross, 2001). Spader, et al. (2009) suggest that application of this theory to financial education has the potential to "improve financial education interventions" (p. 77), pinpointing the stage at which learners are most accepting of financial education concepts, reflecting their success in targeting learners in the pre-contemplation stage.

Design and Methodology

The qualitative design was used to examine how people make meaning and to gain information about their behavior and motivations. More specifically, a case study was used, allowing for a large amount of data to be collected in this financial education setting. The setting was a financial education and community leadership program in a large Midwestern city designed for Latina single mothers. The program, *Mujeres Fuertes*, hopes to educate Latinas to become community leaders and combines the expertise of three community organizations: (a) a financial services organization, (b) a career development organization, and (c) a social services organization. One part of that program is the financial education classes and counseling, which were the focus of this study.

A variety of data collection methods were used: class observations with field notes, recorded interviews with the program administrator, educators, and some learners, and document collection. This information created a picture of what was happening in this setting, including the cultural issues present in the educators' and learners' lives that influenced what happened in the classroom. The case study design allowed for exploration to explain the observed behaviors, emphasizing emerging thematic commonalities (Yin, 2009).

All of these data, after transcribing and entering them into a qualitative software program, NVivo 8, were analyzed using an inductive thematic approach that attempted to organize and clarify what was happening in these classrooms and in this setting. Data and analysis were verified using member checks for confirming thematic interpretations, peer debriefing, and triangulation (Stake, 2006) that confirmed the presence of themes and ideas.

Findings and Discussion

The findings of the study confirm what is known about the influence of sociocultural factors in the education setting and how learners and educators make meaning of the education and the educational process (Tejeda & Gutierrez, 2005). This influence is seen in the holistic approach the program took in designing and targeting the needs of the learners, ensuring that the Latina learners were getting the most possible out of the program. The program attempted to help the women become community leaders and so educated them in a variety of areas that are applicable to their lives as a whole. The financial education classes were a major part of the program, but it was the combination of the life skills classes, the career development classes, and the personal development classes that worked together to create a holistic approach.

The program also offered the women support in the form of resources and access to resources, in the form of information, counseling services and guidance, and simple recognition of their value as Latina women in the community. This last was done partly through the use of Spanish for all classroom delivery. *Mujeres Fuertes* enhanced this programmatic support through the creation of a community of support within the cohort program, so that the women were helping each other along in the process of learning and making changes, offering each other advice and wisdom gained from their own experiences and the experiences of their friends and relatives. The women became a supportive family for each other.

Focusing more specifically on the financial education part of the program the findings reveal that this supportive system of *Mujeres Fuertes* was reflected in the pedagogical approach, an offshoot of the approach taken by the program as a whole. While the educators worked very hard to deliver the financial content for the learners, they also delivered it in a way that recognized the backgrounds of the learners, tailoring the content to fit their exact needs. The educators used stories from their own personal experiences, both as individuals and as Latinas, which then encouraged the learners to use their stories as well. As mentioned, these stories were a source of information for building connections between the learners (Gay, 2010), adding another layer of knowledge and support to their experiences. The program and educators utilized the sociocultural factors most effectively in this situation, emphasizing ways to handle the effects of the male-dominated society through educational opportunities and tools the women could use to empower themselves. It is through these findings that evidence of some parts of critical pedagogy are demonstrated.

This study also informs the work that has been done on behavior change and financial education, noted above. The findings indicate that the changes the women are making are encouraged through the educational focus and support that is offered by the program and educators. The behavior change model used for this study, TTM, posits that the raising the awareness of learners about their feelings associated with emotions about money, self-esteem, and social responsibility are some of the ways to encourage the forward progress of learners through the stages of behavior change toward better financial management. *Mujeres Fuertes* accesses these same feelings in the learners, and therefore contributes to this knowledge about behavior change.

The use of the case study research design to explore and understand the financial education setting at *Mujeres Fuertes* provides a unique picture of what is happening in a financial education program. Class and pedagogical observations are largely unheard of in the financial education literature, so this study is especially informative. In addition, using case study allows for a full picture of the program, from the administration and development of the program to the classroom interactions, from the curriculum to the building and equipment, from the philosophy

of the educators to the thoughts of the learners as communicated to me. In addition, the experiences of Latina learners in adult education have not been adequately explored, and this study informs our knowledge of education with this group and how their experiences as Latinas might affect their ways of making meaning. All of this informs our understanding of adult financial education and the experiences of these Latina learners.

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